WC 05-241

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JUL 1 5 2005

July 15, 2005



Federal Communications Commission Wireline Competition Bureau – CPD – 214 Appls. P.O. Box 358145 Pittsburgh, PA 15251-5145

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Re: In the Matter of First Communications LLC Application for Consent to Assign Certain Assets of a Company Holding An International Authorization and a Blanket Domestic Authorization Pursuant to Section 214 of the Communications Act of 1934, as Amended

Enclosed for filing, on behalf of First Communications LLC, please find an original and five copies of the above-captioned application. The Parties request authority for the transfer of certain assets of CoreComm Newco, Inc. to First Communications LLC. This application is being filed concurrently with the International Bureau via its IBFS electronic program.

Remittance Form 159 and a check to cover the \$895 filing fee are appended. An additional copy of this filing for date-stamp and return has been provided as well. If there are any questions regarding this application, please contact Karly Baraga at (202) 955-9869. Thank you in advance for your assistance with this matter.

Sincerely,

Karly E. Baraga

Enclosures

cc: Renee Crittendon, Wireline Competition Bureau

DC01/BARAK/234605.2

(i) LOCKBOX#						
		PAYER INFORMATIO	)N	<u> </u>		
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card)  Kelley Drye & Warren, LLP			(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)			
(4) STREET ADDRESS LINE NO.1 1200 19th Street, NW (5) STREET ADDRESS LINE NO. 2						
Suite 500						
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20036			
(9) DAYTIME TELEPHONE NUMBER (include area code) (10) COUNTRY CODE (if not in U.S.A.) 202-955-9869						
FCC REGISTRATION NUMBER (FRN) REQUIRED						
(11) PAYER (FRN) 0006-5547-78						
if more than one applicant, use continuation sheets (form 159-c) Complete section below for each service, if more boxes are needed, use continuation sheet						
(13) APPLICANT NAME First Communications LLC						
(14) STREET ADDRESS LINE NO.1 3340 W. Market Street			<del></del>		,	
(15) STREET ADDRESS LINE NO. 2						
(16) CITY Akron			(17) STATE	(11) ZIP CODE 44333		
(19) DAYTIME TELEPHONE NUMBER (includ 330-835-2272	le area code)	(20) COUNTRY C	ODE (if not in U.S.A			
	FCC REGISTRATIO	n number (frn) rec	QUIRED			
(21) APPLICANT (FRN) 0003-7644-87						
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(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CO	DE	(25A) QU/	(25A) QUANTITY		
(26A) FEE DUE FOR (PTC) \$895.00	(27A) TOTAL FEE	) TOTAL FEE \$895.00				
(28A) FCC CODE 1		(29A) FCC CODE 2				
(23B) CALL SIGN/OTHER ID	(248) PAYMENT TYPE CO	DE	(25B) QUA	NTITY		
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(28B)FCC CODE I		(29B) FCC CODE 2	<u></u>			
	SECTION E	- CERTIFICATION				
CERTIFICATION STATEMENT	ertify under penalty of perjury th	at the foregoing and supp	orting information is	true and correct to		
the best of my knowledge, information and belief.  SIGNATURE						
SIGNATURE		<del></del>	DATE			
SECTION E - CREDIT CARD PAYMENT INFORMATION  MASTERCARD VISA AMEX DISCOVER						
ACCOUNT NUMBER EXPIRATION DATE						
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.						
SIGNATUREDATE						

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)
FIRST COMMUNICATIONS LLC ASSIGNEE,	) WC Docket No
CORECOMM NEWCO, INC., ASSIGNOR,	) IB File No
Application for Consent to Assign	
Certain Assets of a Company Holding An International Authorization and a Blanket Domestic Authorization Pursuant	) ) )
to Section 214 of the Communications Act of 1934, as Amended	) )

#### **APPLICATION**

First Communications LLC ("First Communications") and CoreComm NewCo, Inc. ("CoreComm Newco") (First Communications and CoreComm Newco, together, are "Applicants") by their attorneys, hereby request authority pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. §214 (the "Act"), and Sections 63.04 and 63.24(e) of the Commission's Rules, 47 CFR §§ 63.04, 63.24(e), to assign certain assets of CoreCom Newco and certain subsidiaries to First Communications.

Pursuant to the terms of an Agreement ("Agreement") dated June 17, 2005, among First Communications and ATX Communications, Inc. ("ATX"), the ultimate parent company of CoreComm Newco, First Communications will acquire substantially

These subsidiaries are CoreComm Illinois, Inc., CoreComm Indiana, Inc., CoreComm Michigan, Inc., and CoreComm Wisconsin, Inc. Collectively, these subsidiaries with CoreComm Newco are referred to as "CoreComm Midwest."

all of the assets of CoreComm Midwest located in Illinois, Indiana, Michigan, Ohio and Wisconsin (the "Affected States"). Accordingly, the Applicants request that the Commission approve the transfer of these assets, including customers lists, working capital (including accounts receivable) and switching equipment, to First Communications. The assets being transferred do not include any Section 214 authorizations. The Applicants note that First Communications already holds authority under Section 214 of the Act to provide domestic and international telecommunications services.<sup>2</sup>

The proposed transaction is not expected to result in any loss or impairment of service to any of the CoreComm Midwest customers. Customers will continue to receive their existing services at the same rates and under the same service options. Future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. The only material change will be in the customers' service provider. Notice of the change will be provided to customers in accordance with Section 64.1120 of the Commission's Rules.

Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), the Applicants are filing a combined application for the proposed transfer of assets. The Applicants provide below the information required by Section 63.24(e)(2) of the Commission's Rules, 47 C.F.R. § 63.24(e)(2). Exhibit A provides the additional information requested by Section 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 C.F.R. § 63.04(a)(6)-(12).

First Communications received its international Section 214 authority in File No. ITC-ASG-20011001-00509, granted Nov. 2, 2001, in Report No. TEL-00460. First Communications holds blanket authority to provide domestic interstate service pursuant to Section 63.01 of the Commission's Rules.

The Applicants respectfully request streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 and 63.12. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i), because (a) after the proposed transaction, First Communications (including its affiliates) will have a market share in the interstate, interexchange market of substantially less than 10 percent, and will provide competitive services exclusively in areas served by a dominant local carrier not a party to the transaction, and (b) First Communications and CoreCom Newco (including their affiliates) are not currently dominant with respect to any domestic service, and will not become dominant with respect to any domestic service after consummation of the proposed transaction. This Application also qualifies for streamlined treatment under Section 63.12 because (a) First Communications is not affiliated with a dominant foreign carrier, (b) First Communications will not become affiliated with any foreign carrier as a result of the proposed transaction, and (c) none of the other provisions contained in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12, apply.

The Applicants respectfully request approval of this Application as soon as possible.

#### I. APPLICANTS TO THE TRANSACTION

# A. First Communications [FRN 0003764487]

First Communications is an Ohio limited liability company based in Akron, Ohio. Founded in 1984, First Communications is a common carrier that provides local, private line and long distance services to both business and residential customers in several states in the U.S. Currently, First Communications provides telecommunications services to

approximately 70,000 customers, located primarily in Ohio, Michigan, Indiana, Illinois, Pennsylvania and Florida. First Communications' services include, in addition to traditional local and long distance services, toll-free services, conference calling packages, calling cards, prepaid calling cards, Internet access, and dedicated and private line services. First Communications' telecommunications services are provided primarily on a resale basis using facilities and switches that are owned and operated by other telecommunications carriers.

# B. CoreComm Newco [FRN 0004364378]

The ultimate parent company of CoreComm Newco, ATX, is a Delaware holding company with principal offices located at 2100 Renaissance Boulevard, King of Prussia, PA 19406. The operating subsidiaries of ATX, including CoreComm Midwest, are facilities-based integrated communications providers, offering voice, data, wireless, Internet, and e-business services to business and residential customers in targeted markets throughout the Mid-Atlantic and Midwest regions of the United States, as well as long distance voice service throughout the United States. ATX's operating subsidiaries currently serve more than 300,000 business and residential customers. CoreComm Midwest primarily operates in Ohio, Indiana, Michigan, Wisconsin and Illinois<sup>3</sup> and provides telecommunications services primarily on a resale basis using facilities and switches that are owned and operated by other telecommunications carriers, as well as on a facilities basis using facilities owned and operated by CoreComm. All international services are currently provided on a resale basis.

CoreComm Newco also operates in other states. CoreComm Newco's operations and customers in those other states are not affected by this Application.

On January 15, 2004, ATX and its subsidiaries filed voluntary petitions for relief under Chapter 11 of Title 11 of the US Bankruptcy Code. As part of its restructuring, ATX filed with this Commission an application for approval to transfer control of ATX's authorized US international and domestic carrier subsidiaries to Leucadia National Corporation. The transfer was approved by the Commission in April 2005. Leucadia currently holds 95% of the equity of ATX.

#### II. DESCRIPTION OF THE TRANSACTION

First Communications and ATX have reached an Agreement providing for First Communications' acquisition of substantially all the assets of CoreComm Midwest in the Affected States, including customer lists, working capital (including accounts receivable) and switching equipment, but not including any FCC authorizations. Consummation of the transaction is conditioned on the receipt of all necessary regulatory approvals. At the close of the transaction, First Communications will provide local and long distance telecommunication services to the CoreComm Midwest customers directly pursuant to its own Section 214 authorizations.

The proposed transfer of customers to First Communications will have no adverse impact on customers. The CoreComm Midwest customers will continue to receive their existing services at the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. To ensure a seamless transition and avoid customer confusion or inconvenience, First Communications will provide advance

See WC Docket No. 05-92, DA 05-1120 (rel. Apr. 22, 2005); File No. ITC-ASG-20050304-00129, DA No. 05-1112 (rel. Apr. 21, 2005).

written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Commission and state requirements for changing a customer's presubscribed carrier. First Communications will file the required notice with the Commission in CC Docket No. 00-257 pursuant to Section 64.1120 of the Commission's Rules, 47 C.F.R. § 64.1120, to comply with the Commission's slamming requirements.

#### III. PUBLIC INTEREST STATEMENT

The transfer of assets to First Communications will serve the public interest.

ATX has determined that the operation of the CoreComm Midwest companies in their respective markets is no longer consistent with ATX's long term interests. First Communications is a strong company that will continue to provide high quality services to the CoreComm Midwest customers. First Communications' purchase of the CoreComm Midwest assets will strengthen First Communications and better ensure that it remains a viable long-term competitor in the telecommunications marketplace.

At the same time, the proposed transfer of assets does not present any anticompetitive issues. The Applicants emphasize that, following the transfer, the former
CoreComm Midwest customers will continue to receive services from an experienced
and qualified carrier, which services will be consistent with the quality of services
currently provided by CoreComm Midwest. CoreComm Midwest primarily resells local
and long distance services to residential and business customers and First
Communications has extensive experience in providing these services. The Applicants
anticipate that customers will experience a seamless transition of service provider.

Further, these customers will be sufficiently notified of the transaction and their rights.

The contact for customers and Commission inquiries will be:

Mary Cegelski First Communications LLC 3340 West Market Street Akron, Ohio 44333 Tel: (330) 835-2272

Email: mcegelski@Firstcomm.com

In addition, CoreComm Midwest's exit from the Affected States does not present any competitive concerns. In the geographic markets in which the operations of First Communications and CoreComm Midwest overlap (i.e., Ohio, Indiana, and Michigan), the market share of First Communications post-close in the local service market will be less than 5 percent. In the geographic markets in which the operations of First Communications and CoreComm Midwest do not overlap (i.e., Illinois and Wisconsin), First Communications will simply step into the shoes of CoreComm Midwest with respect to market share. The Applicants note that there are a number of other carriers operating in each market, including the incumbent carrier, which in each market controls a substantial market share.

In sum, grant of this Application will serve the public interest by strengthening the competitive position of First Communications without negative impact to either CoreComm Midwest's customers or competition in the markets in which CoreComm Midwest operates.

# IV. INFORMATION REQUIRED BY SECTION 63.24(e) OF THE COMMISSION'S RULES

The Applicants submit the following information pursuant to Section 63.24(e) of the Commission's Rules, including the information requested in Section 63.18:

(a) Name, address and telephone number of Applicants:

First Communications, LLC (Assignee) 3340 West Market Street Akron, OH 44333 Tel: (330) 835-2272

CoreComm Newco, Inc. (Assignor) c/o ATX Communications, Inc. 2100 Renaissance Boulevard King of Prussia, PA 19406 Tel: (800) 220-ATX2

- (b) First Communications is a limited liability company organized under the laws of Ohio. CoreComm Newco is a corporation organized under the laws of Delaware.
- (c) Correspondence concerning this Application should be sent to:

#### For the Assignee:

Joseph R. Morris
Chief Operating Officer
First Communications, LLC
3340 W. Market Street
Akron, Ohio 44333
Tel: (330) 835-2472
Fax: (330) 835-2330
jmorris@Firstcomm.com

Karly E. Baraga Kelley Drye & Warren LLP 1200-19<sup>th</sup> Street, N.W. Suite 500 Washington, D.C. 20036 Tel: (202) 955-9869 Fax: (202) 955-9792 kbaraga@kelleydrye.com

### For the Assignor:

Bruce Bennett
Vice President for External Affairs
ATX Communications, Inc.
70 West Hubbard Street, Suite 410
Chicago, IL 60610
Tel: (312) 445-1161

Fax: (312) 445-1232 Bruce.Bennett@atx.com and

Eric J. Branfman
Brett P. Ferenchak
Swidler Berlin LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7500
Fax: (202) 424-7645
EJBranfman@swidlaw.com
BPFerenchak@swidlaw.com

- (d) First Communications has authority to provide international services on a resale basis as granted in File No. ITC-ASG-20011001-00509. CoreComm Newco has authority to provide international service on a facilities-based and resale basis as granted in File No. ITC-ASG-20050304-00129 (see also File Nos. ITC-ASG-2004-0217-00102 and ITC-19980501-00290).
- (h) The following entities hold a 10 percent or greater equity interest in First Communications:

#### (1) McKinley:

McKinley Communications, LLC 134 Sixth Street S.W. Canton, Ohio 44702 Citizenship: U.S.

Principal business: investment Percent Equity: 51 percent

Marbel Investments, LLC holds an 80 percent ownership interest in and control of McKinley and thus will hold a 51 percent ownership interest in First Communications following consummation of the proposed transaction. Marbel is a U.S. citizen whose address is the same as McKinley and whose principal business is investments. Marbel is owned in equal shares by Marsh Belden, Timothy Belden, Susan Belden, and Katherine Belden. The Beldens are U.S. citizens who principal business is investments and whose address is the same as McKinley. The Beldens govern Marbel by majority rule.

No other shareholder in McKinley holds a 10 percent or greater ownership interest in First Communications under the FCC's ownership attribution rules.

# (2) First Energy:

First Energy Corp. 76 S. Main Street Suite 1600 Akron, Ohio 44308

Citizenship: U.S.

Principal business: energy Percent Equity: 31.85 percent

No shareholder in First Energy holds a 10 percent or greater ownership interest in First Communications under the FCC's ownership attribution rules.

#### (3) **Boich**:

Boich Investment Group, Ltd. 17 S. High Street Suite 1220 Columbus, Ohio 43215-3413 Citizenship: U.S.

Principal business: coal

Percent Equity: 17.15 percent

Wayne Boich, Sr. holds 100 percent of the ownership interest in Boich and thus a 17.15 percent ownership interest in First Communications under the FCC's ownership attribution rules. Mr. Boich is a U.S. citizen whose principal business is coal and whose address is the same as the Boich Investment Group.

First Communications states that following consummation of the transaction, no officer or director of First Communications will also be an officer or director of any foreign carrier.

- (i) As evidenced by the signatures to this Application, First Communications certifies that (a) First Communications is not a foreign carrier and is not affiliated with a foreign carrier, and (b) First Communications will not become a foreign carrier or become affiliated with a foreign carrier post-close.
- (j) As evidenced by the signatures to this Application, First Communications certifies that, through its acquisition of the assets of CoreComm Midwest, it does not seek to provide international telecommunications services to any destination country where (a) First Communications is a foreign carrier; (ii) First Communications controls a foreign carrier; (iii) any entity that owns more than 25 percent of First Communications, or that controls First Communications, controls a foreign carrier in that country; or (iv) two or more foreign carriers (or Applicants that control foreign carriers) own, in the aggregate, more than 25 percent of First Communications and are Applicants to, or the beneficiaries of, a contractual relation affecting the provision or marketing or international basic telecommunications services in the United States.
- (k) Not applicable.

- (1) Not applicable.
- (m) Not applicable.
- (n) As evidenced by the signatures to this Application, First Communications certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and that First Communications will not enter into such agreements in the future.
- (o) As evidenced by the signatures to this Application, Applicants certify that, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Applicants request streamlined processing of this Application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12. This Application qualifies for streamlined treatment under Section 63.12(c) of the Commission's Rules, because (i) First Communications is not affiliated with a dominant foreign carrier; (ii) First Communications will not become affiliated with any foreign carrier as a result of the proposed Transaction; and (iii) none of the other scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12, apply.

# V. INFORMATION REQUIRED BY SECTION 63.04(b) OF THE COMMISSION'S RULES

In accordance with the requirements of Section 63.04(b) of the Commission's Rules, the additional information required for the domestic Section 214 transfer of control application is provided in **Exhibit A**.

#### VI. CONCLUSION

Based on the foregoing, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application.

Respectfully submitted,

CoreComm Newco, Inc.

By: V

Eric J. Branfman

Brett P. Ferenchak Swidler Berlin LLP

3000 K Street, N.W., Suite 300

Washington, D.C. 20007

Tel: (202) 424-7500

Fax: (202) 424-7645

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saugustino@kelleydrye.com

kbaraga@kelleydrye.com

Its Attorneys

Date: July 15, 2005

### LIST OF EXHIBITS

EXHIBIT A	Domestic Section 214 Transfer of Control Information
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#### EXHIBIT A

#### DOMESTIC SECTION 214 TRANSFER OF CONTROL INFORMATION

In accordance with the requirements of Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04, the Applicants provide the following information in support of their request.

63.04(b)(6): Description of the Transaction

The proposed transaction is described in Section II of the Application.

63.04(b)(7): Description of Geographic Service Area and Services in Each Area

A description of the geographic service areas and services provided in each area is provided in Section I of the Application.

63.04(b)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i). Following the consummation of the proposed transaction, First Communications (including its affiliates) will a have market share in the interstate, interexchange market of substantially less than 10 percent, and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not party to the transaction. Finally, neither First Communications nor CoreComm Newco nor any affiliate of either company is dominant with respect to any service it provides.

63.04(b)(9): Other Pending Commission Applications Concerning the Proposed Transaction

None.

63.04(b)(10): Special Considerations

None.

63.04(b)(11): Waiver Requests (If Any)

None.

63.04(b)(12): Public Interest Statement

The proposed transaction is in the public interest for the reasons detailed in Section III of the Application.

#### **CERTIFICATION**

I, Joseph R. Morris, Chief Operating Officer of First Communications, LLC, hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of First Communications, LLC, the Transferee in the foregoing application. I further certify that the information in the foregoing application as it pertains to the Transferee is true and accurate to the best of my knowledge, and that the Transferee is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.

First Communications, LLC

By:

Joseph R. Morris

Chief Operating Officer

DC01/BARAK/235609.1

Date: July \_ \$ , 2005

**CERTIFICATION** 

I, Jeffrey Coursen, am Executive Vice President and Chief Operating Officer for ATX

Communications, Inc. ("ATX"), hereby certify under penalty of perjury that I am authorized to

make this Certification on behalf of ATX, the Transferor in the foregoing application. I further

certify that the information in the foregoing application as it pertains to the Transferor is true and

accurate to the best of my knowledge, and that the Transferor is not subject to a denial of Federal

benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as

amended.

ATX Communications, Inc.

JOC.

Date: July 8, 2005

DC01/BARAK/235607.1